

**DEPARTMENT OF CORPORATIONS**  
SACRAMENTO, CALIFORNIAIN REPLY REFER TO:  
FILE NO:DATE: May 15, 2000  
TO: ALL INTERESTED PARTIESFROM: WILLIAM KENEFICK  
Acting Commissioner  
Department of Corporations

A handwritten signature in dark ink, appearing to read "W. Kenefick", is written over the typed name and title of the Acting Commissioner.

Attached, **FOR DISCUSSION PURPOSES ONLY**, is an executive summary and draft of the risk-bearing provider organization regulations required by Senate Bill 260 (Chapter 529, Statutes 1999). Senate Bill 260 requires the Commissioner of Corporations (or the Director of the Department of Managed Care) to adopt regulations to carry out the requirements of the law, specifically, Health and Safety Code Section 1375.4.

Because of the scope of the requirements of the draft regulations, and because the Financial Solvency Standards Board has not yet been established, the Department of Corporations is circulating draft regulations for comment.

Your comments on the draft regulations are very important. Interested persons should send written comments regarding the draft regulations to:

Jim Tucker, Deputy Director  
Transition Office of the Department of Managed Care  
980 Ninth Street, 18<sup>th</sup> Floor  
Sacramento, CA 95814

Comments should be received by **July 10, 2000**.

A public hearing will be scheduled to discuss the draft regulations and comments after July 10, 2000. You will receive notification of the public hearing from the Department of Managed Care.